

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COLUMBIA, SOUTH CAROLINA

HEARING #22-11977

FEBRUARY 16, 2022

2:35 P.M.

ND-2022-3-E:

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY (SANTEE COOPER) — *Allowable Ex Parte Briefing Regarding an Overview of Santee Cooper's 2020 Comprehensive Integrated Resource Plan (IRP), Plans for Its Integrated Resource Plan Update, and to Present a Proposed Procedural Schedule for Its Competitive Procurement of Renewable Energy Filing/Petition*

**ALLOWABLE EX PARTE  
BRIEFING**

**COMMISSION MEMBERS PRESENT:** Florence P. BELSER, VICE CHAIR, PRESIDING; and COMMISSIONERS Carolyn L. 'Carolee' WILLIAMS, Stephen M. 'Mike' CASTON, Thomas J. 'Tom' ERVIN<sup>[A/V]</sup>, Headen B. THOMAS<sup>[A/V]</sup>, and Delton W. POWERS, JR.

ADVISOR TO COMMISSION: David W. Stark, III, Esq.  
STAFF COUNSEL

**STAFF:** Jocelyn Boyd, Chief Clerk/Executive Director; Jo Anne Wessinger Hill, General Counsel; F. David Butler, Special Counsel; Sharon Plyler Besley, Esq., and Sandra V. Moser, Esq., Legal Staff; Norman Scarborough, Ph.D., Technical Advisory Staff; Virginia Butler, Administrative Staff; Jackie Thomas, Information Technology Staff; Patricia Stephens and Virginia 'Ginger' Crocker, Clerk's Staff; Melissa Purvis, Livestream Technical Staff; and Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter

**APPEARANCES:**

**STEPHEN R. PELCHER, ESQUIRE**, legal representative of/for SOUTH CAROLINA PUBLIC SERVICE AUTHORITY (SANTEE COOPER), together with PRESENTERS **CHARLIE B. DUCKWORTH** [Acting President/CEO], **RAHUL DEMBLA** [Sr. Director/Financial and Resource Planning], and **B. SHAWAN GILLIANS** [Director/Legal Services and Corporate Secretary]

**NICOLE M. HAIR, ESQUIRE**, Designee of the Executive Director of the SOUTH CAROLINA OFFICE OF REGULATORY STAFF

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Note: For identification of any additional referenced materials and/or links for same, please see correspondence to be filed by the Office of Regulatory Staff Designee

Please note the following inclusions/attachments to the record:

- Santee Cooper's Presentation Slides (PDF), including links

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P R O C E E D I N G S

**VICE CHAIR BELSER:** Good afternoon and welcome to the Public Service Commission of South Carolina. We're here today for an allowable ex parte presentation from Santee Cooper.

And I'll ask now if we could get a roll call of Commissioners present. Present in the hearing room we have Commissioner Carolee Williams, Commissioner Caston, Commissioner Powers, and myself, Vice Chair Belser; and joining us virtually we have Commissioner Ervin and Commissioner Thomas.

And I will recognize Mr. Stark, our Staff Counsel. If you will read the docket and introduce the proceeding.

**MR. STARK:** Thank you, Madam Vice Chair.

Madam Vice Chair and other Commissioners, we're here for the proceeding in Non-Docketed Item 2022-3-E, which is a request for an allowable ex parte briefing for South Carolina Public Service Authority, or Santee Cooper, regarding an overview of the company's 2020 comprehensive Integrated Resource Plan, plans for its Integrated Resource Plan update, and to present a proposed procedural schedule for its Competitive Procurement of Renewable Energy filing or petition.

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1           Madam Vice Chairman, it currently is  
2           Wednesday, February 16, 2022, at 2:35 p.m., as  
3           noticed. Madam Vice Chair, I believe the  
4           proceeding may continue.

5           **VICE CHAIR BELSER:** Thank you, Mr. Stark.

6           Pursuant to the terms of South Carolina Code  
7           Annotated 58-3-260, which provides for the  
8           allowable ex parte presentation, who's here for the  
9           Office of Regulatory Staff?

10          **MS. HAIR:** Vice Chair Belser, members of the  
11          Commission, good afternoon. Nicole Hair, on behalf  
12          of the Office of Regulatory Staff.

13          **VICE CHAIR BELSER:** Thank you, Ms. Hair.

14          Before we get to introduce our guests, I do  
15          want to recognize Mr. Stark to go over some of our  
16          guidelines for today.

17          **MR. STARK:** Thank you, Madam Vice Chairman.

18          Good afternoon, Commissioners and all who are  
19          present here today, virtually or in person. Today,  
20          as previously mentioned, is Wednesday, February 16,  
21          2022, and we're here in the Commission's hearing  
22          room pursuant to a Notice of Request for an  
23          allowable ex parte presentation.

24          The request for this allowable ex parte  
25          briefing is outlined in Commission Order No. 2022-

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38, which is incident to the non-docketed matter 2022-3-E. The subject matter noticed concerns an allowable ex parte briefing from the South Carolina Public Service Authority – Santee Cooper – regarding an overview of the company's 2022 comprehensive IRP and plans for its IRP update, and to present a proposed procedural schedule for its Competitive Procurement of Renewable Energy filing, or petition.

This, I would remind everyone, is a briefing and not a hearing. The briefing must be conducted in compliance to – in compliance with the provisions of South Carolina Code Annotated Section 58-3-260(C), and the requirements of that statute are, in part, that the allowable ex parte briefing be confined to the subject matter which has been noticed. I would therefore ask the presenters, Commissioners, and Staff to please refrain from discussing any matters not related to the specific topic.

The statute prohibits any presenter, Commissioner, or Commission Staff from requesting or giving any commitment, predetermination, or prediction regarding any action by any Commissioner as to an ultimate issue which is either likely to

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1           come before the Commission or is pending before the  
2           Commission.

3           I would also ask the Presenters, Staff, and  
4           Commissioners to refrain from referencing any  
5           report, article, statute, or document of any kind  
6           that are not included in today's presentation. A  
7           copy of any document which is referenced during the  
8           briefing must be provided to the Office of  
9           Regulatory Staff for inclusion into the record,  
10          which will be certified to the Chief Clerk of the  
11          Commission, Ms. Jocelyn Boyd.

12          If anyone, during the course of this briefing,  
13          exceeds the scope or does not comply with or fails  
14          to conduct themselves within the provision of South  
15          Carolina Code Section 58-3-260, concerning  
16          allowable ex parte briefings, it is expected that a  
17          contemporaneous objection will be made.

18          And, finally, everyone in attendance today, in  
19          person or virtually, must sign in or register.  
20          Everyone in the hearing room or watching virtually  
21          must read, sign, and return the form which you were  
22          given at the door or the form which will be  
23          e-mailed to you for your virtual appearance, which  
24          will include instructions and the deadline for its  
25          return. It is required by law for each attendee,

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1 whether attending virtually or in person, to  
2 certify that the requirements contained in Section  
3 58-3-260(C) have been complied with in this  
4 presentation.

5 Thank you all for your time and attention.  
6 Thank you, Madam Vice Chair.

7 **VICE CHAIR BELSER:** Thank you, Mr. Stark.

8 Good afternoon, Mr. Duckworth. We appreciate  
9 you and your team being here today. On a personal  
10 note, I would like to thank y'all for working with  
11 our schedule. I know that y'all had indicated that  
12 another day this week might have been a little  
13 preferable, but this is one of the few weeks where  
14 we Commissioners have the opportunity to attend the  
15 National Association of Regulatory Utility  
16 Commissioners' meetings, and those are very  
17 educational for us, so we certainly appreciate  
18 y'all working with our schedule to accommodate us  
19 on this briefing today.

20 And with that, Mr. Duckworth, I'll recognize  
21 you and let you kick it off, introduce your team.  
22 However y'all would like to proceed.

23 **MR. CHARLIE DUCKWORTH [SANTEE COOPER]:** Good  
24 afternoon, Commissioners. We do appreciate the  
25 opportunity to be here.

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1 I'm Charlie Duckworth, Acting President and  
2 CEO of the South Carolina Public Service Authority,  
3 or Santee Cooper. On March 1st, Santee Cooper will  
4 welcome our new President and CEO, Jimmy Staton.  
5 He has extensive electric and natural gas utility  
6 experience and leadership experience in the  
7 Midwest. And at that point, I will resume my  
8 position as Santee Cooper's Deputy CEO and Chief  
9 Planning and Innovation Officer.

10 My colleagues and I are grateful for the  
11 opportunity to be here today and provide you an  
12 overview of the 2020 – of our 2020 comprehensive  
13 Integrated Resource Plan and to share our plans for  
14 an Integrated Resource Plan update, fulfilling our  
15 obligations under Act 90 of 2021. We look forward  
16 to the IRP process and, in particular, to the  
17 stakeholder engagement component, because we know  
18 it will produce a stronger resource plan. As you  
19 will hear shortly, we are planning our first public  
20 stakeholder meeting for March 1st. Today we will  
21 also offer a proposed procedural schedule for a  
22 competitive procurement renewable energy process.

23 We look forward to your questions in both  
24 areas and commit to a prompt follow-up on any  
25 matters that arise from today's briefing.

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1 Now I'd like to introduce my two colleagues,  
2 who will cover most of our material today. First,  
3 to my right, Rahul Dembla. Rahul currently leads  
4 the Resource and Financial Planning areas for  
5 Santee Cooper, and he has held several leadership  
6 positions since joining the utility in 2016. In  
7 aggregate, he has 16 years of utility experience,  
8 including ten years as an investment banker serving  
9 public power utilities across the country. He led  
10 the team that developed our 2020 Integrated  
11 Resource Plan. He also played a critical role in  
12 our most recent competitive procurement of  
13 renewable power in 2020, which resulted in 425  
14 megawatts of solar power acquired by Central and  
15 Santee Cooper. He will provide you an overview of  
16 information about our Integrated Resource Plan and  
17 planning process.

18 Also here today is Shawan Gillians. Shawan  
19 has been with Santee Cooper for ten years and is  
20 our Director of Legal Services and our Corporate  
21 Secretary. She has 15 years' experience in  
22 transactional and finance matters, and was Santee  
23 Cooper's Treasurer prior to taking her current  
24 position. Shawan also was a part of the team last  
25 year that assisted in providing input to the

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1 legislative officials as they drafted Act 90. She  
2 will discuss legal provisions related to the RFP  
3 process with Act 90.

4 With that, I'll turn things over to Rahul  
5 Dembla. And, again, thank you for this  
6 opportunity.

7 **VICE CHAIR BELSER:** Thank you, Mr. Duckworth –  
8 [indicating]. Thank you, Mr. Duckworth.

9 Mr. Dembla, if you could turn your mic on, and  
10 please speak into it so that we can hear you and  
11 anybody on the Internet, as well. Thank you.

12 **MR. RAHUL DEMBLA [SANTEE COOPER]:** Thank you.  
13 Do I need to have the slide deck on, or...

14 **VICE CHAIR BELSER:** Are you ready for it?

15 **MR. RAHUL DEMBLA [SANTEE COOPER]:** Okay.

16 **VICE CHAIR BELSER:** There it is.

17 **MR. RAHUL DEMBLA [SANTEE COOPER]:** Thank you.  
18 Thank you, very much.

19 [Reference: Presentation Slides 1-3]

20 Good afternoon, and thank you for this  
21 opportunity. This section of the presentation  
22 provides an overview of Santee Cooper's 2020  
23 Integrated Resource Plan.

24 [Reference: Presentation Slide 4]

25 In accordance with the Act 62 of 2019, Santee

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1 Cooper submitted its triennial Integrated Resource  
2 Plan to the State Energy Office on December 23,  
3 2020. The 2020 IRP addressed the requirements of  
4 Act 62, same as the requirements placed on the  
5 investor-owned utilities in South Carolina.  
6 However, it did not require the Commission's  
7 approval.

8 A copy of the 2020 IRP is available to all, on  
9 the websites of Santee Cooper and the State Energy  
10 Office. The links are included in the footnotes on  
11 this slide.

12 [Reference: Presentation Slide 5]

13 Santee Cooper developed its 2020 IRP to comply  
14 with the requirements of Act 62 and address the  
15 following topics: Our long-term load forecast and  
16 reasonable scenarios; information related to  
17 proposed generating resources, traditional and  
18 renewable; summary of planned transmission  
19 investments. The plan analyzed resource portfolios  
20 of demand- and supply-side alternatives, and  
21 retirement of existing coal resources. These  
22 portfolios were evaluated for cost and reliability  
23 under a realistic set of base-case assumptions and  
24 by analyzing sensitivities to certain key  
25 assumptions, such as fuel cost, load, and

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1 environmental regulation in the form of a tax on  
2 CO2 emissions. The IRP also included information  
3 on our existing resources.

4 [Reference: Presentation Slide 6]

5 Santee Cooper's resource planning principles:  
6 Santee Cooper is committed to pursuing a power  
7 supply roadmap that will achieve a more diversified  
8 portfolio of resources with reduced environmental  
9 impact, while keeping our customer prices stable.  
10 To achieve these goals and guide our resource  
11 planning, we formally adopted key principles listed  
12 on this slide. These eight core planning  
13 principles provide us important metrics that we  
14 seek to balance as we evaluate and compare multiple  
15 resource portfolios.

16 These planning principles include:  
17 reliability, the most critical product of any  
18 electric utility; a customer focus; cost  
19 management, which translates to competitive prices  
20 to our customers; responsibly managing  
21 environmental impact of our operations and resource  
22 decisions. Taking a long-term view; by recognizing  
23 that the future is inherently uncertain, we seek to  
24 create a resource roadmap that is diverse and  
25 flexible. Reduced financial and planning risk, by

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1 taking a measured and phased approach and closely  
2 matching resources to need; embracing innovation by  
3 identifying evolving technologies, such as storage,  
4 and incorporating them in our plans when reasonable  
5 and cost-effective; and, finally, transparency with  
6 all who have a stake in our resource plans.

7 Santee Cooper believes that adherence to these  
8 principles will ensure a robust and balanced  
9 resource roadmap which will achieve our goals under  
10 a wide range of future conditions.

11 [Reference: Presentation Slide 7]

12 2020 IRP process: We utilized generally  
13 accepted utility practices to prepare our 2020 IRP.  
14 As discussed on the prior slide, we adopted  
15 planning principles to guide us. We utilized  
16 realistic projections of economic and market  
17 conditions and industry-based assumptions for  
18 future resource alternatives, including traditional  
19 resources as well as solar and storage.

20 For existing resources, we relied on  
21 historical operating characteristics and developed  
22 potential costs that could be avoided by retiring  
23 our coal portfolio.

24 The box on the right side of the illustration  
25 titled "Portfolio Optimization" represents the

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1 analytical and modeling phase of the IRP process.  
2 The IRP development included the use of load  
3 forecasts, developed using industry-standard  
4 techniques; integration of cost-effective demand-  
5 side management programs; transmission analysis;  
6 screening of potential resource sites; and,  
7 finally, optimization of resource expansion plans,  
8 which included coal retirements. This process  
9 resulted in our preferred resource plan summarized  
10 on the next slide.

11 [Reference: Presentation Slide 8]

12 Our 2020 IRP confirmed our strategic resource  
13 direction or roadmap, which included following key  
14 elements.

15 Retire coal: a phased retirement of all four  
16 Winyah units by 2027. Increase solar: phased  
17 implementation of solar, beginning with 500  
18 megawatts of solar by 2023 through an RFP process,  
19 an RFP process which was ongoing at the time of  
20 development of our 2020 IRP; an additional 500  
21 megawatts by 2026, and growing to 1500 megawatts,  
22 in aggregate, by the early 2030s.

23 Incorporating advanced technologies in the  
24 form of battery storage, in phases, to take  
25 advantage of technological advancements and

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1 expected cost decline. The plan included 200  
2 megawatts in storage, starting in the mid-2020s.

3 Increase natural gas resources: modern,  
4 efficient, and flexible natural gas resources to  
5 replace retired coal capacity and enable  
6 integration of greater amounts of intermittent  
7 solar resource.

8 And, finally, expansion of demand-side  
9 programs.

10 [Reference: Presentation Slide 9]

11 This chart depicts the supply and demand  
12 balance achieved by the IRP's preferred resource  
13 plan. It shows our winter peak demand, represented  
14 by the solid blue line, and the resource type  
15 projected to meet that demand, represented by the  
16 stand bars. As shown, the plan provides for  
17 increased diversity of resource types and is  
18 designed to closely align future resource additions  
19 to load requirements. By doing so, we minimize  
20 Santee Cooper's future capital investments and  
21 incorporate flexibility in our resource roadmap.

22 I want to note that this graphic illustrates  
23 the capacity mix and does not capture the impact of  
24 1500 megawatts of solar addition. Santee Cooper's  
25 winter peak generally occurs early on a winter

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1 morning, when a solar resource is unlikely to  
2 contribute firm capacity. The impact of adding  
3 significant amounts of solar to our resource mix is  
4 captured on the next slide that shows much improved  
5 diversity in our energy mix.

6 [Reference: Presentation Slide 10]

7 These pie charts illustrate the changes in  
8 Santee Cooper's projected energy mix in the year  
9 2033, resulting from the IRP 2020's preferred  
10 resource plan. The year 2033 is represented since  
11 it occurs following the implementation of major  
12 anticipated elements of the plan: the retirement  
13 of Winyah coal and addition of solar and new  
14 natural gas resources. It indicates a significant  
15 improvement in the diversity of energy resources  
16 used to meet Santee Cooper's retail and wholesale  
17 energy requirements.

18 As shown, this resource transformation, when  
19 compared to our pre-reform plan outlook, reduces  
20 the share of energy from coal significantly, from  
21 52 percent to 19 percent, and quadruples the energy  
22 from sustainable resources, primarily from  
23 additional 1500 megawatts of solar. As a result of  
24 these resource changes, it was projected that the  
25 preferred resource plan would reduce CO<sub>2</sub> emissions

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1 by over 50 percent compared to 2005 levels.

2 [Reference: Presentation Slide 11]

3 IRP 2020 recent actions: Our resource plan is  
4 a long-term strategic roadmap, but it also provides  
5 the framework for near-term resource actions.  
6 Since its filing, the key elements of the resource  
7 direction established in the IRP have continued to  
8 guide us.

9 Here, we have provided a status of three  
10 elements of the plan where we have made progress  
11 since the IRP's development: coal retirement, more  
12 solar, and planning for the late 2020s resource.

13 These actions are consistent with the IRP's  
14 strategic resource direction, with some differences  
15 to reflect the passage of time or, in the case of  
16 solar, the results of the competitive solicitation  
17 process that was ongoing during the development of  
18 IRP 2020.

19 Coal retirement: Santee Cooper's board  
20 approved the decision to retire all 1150 megawatts  
21 of Winyah coal units no later than December 2028,  
22 and we have idled one of those units as of the  
23 winter of 2020 and '21.

24 Regarding solar, Central and Santee Cooper,  
25 through a competitive RFP process, have acquired

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1 425 megawatts of solar. These projects are  
2 expected to reach operations by late 2023 or early  
3 2024. Santee Cooper will pay for the energy  
4 produced by these solar resources and will not own  
5 or finance these assets. [Indicating.] Excuse me.

6 In concluding this slide – I’m sorry. And,  
7 lastly, Central and Santee Cooper have conducted  
8 joint analysis related to the late 2020s resource  
9 need, and our diligence continues.

10 In concluding this slide and this section, I  
11 must emphasize that, while Santee Cooper is  
12 conducting necessary diligence, any commitments  
13 related to future resources, including the late  
14 2020s natural gas resources, will be guided by Act  
15 90 requirements and the 2020 IRP outcome, which  
16 would include stakeholder input and require the  
17 Commission’s approval.

18 [Reference: Presentation Slides 12-13]

19 I will now present our plans for integrated  
20 resource plan updates.

21 The Act 90 of 2021, among other things,  
22 revised the requirements concerning Santee Cooper’s  
23 Integrated Resource Plan. The Act requires Santee  
24 Cooper submit its next triennial IRP to the  
25 Commission, subject to the Commission’s review and

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1 approval. Once Santee Cooper's next triennial IRP  
2 is approved by the Commission, we will be required  
3 to submit annual updates to the approved IRP to the  
4 Commission.

5 In our recent letter to the Commission, Santee  
6 Cooper respectfully recommended that May 15, 2023,  
7 be set as the date of the filing of Santee Cooper's  
8 2023 triennial IRP. The proposed schedule will  
9 place our filing roughly midway between Dominion's  
10 and Duke's anticipated 2023 filings and should  
11 allow the Office of the Regulatory Staff and the  
12 Commission to best utilize resources to conduct the  
13 Commission's proceedings.

14 The recommended filing date will afford Santee  
15 Cooper sufficient time for fulfillment of all IRP  
16 requirements, including a robust stakeholder  
17 process. I will provide an overview of the  
18 stakeholder process on the next slide.

19 Under our proposed schedule, our 2023 IRP  
20 would be filed approximately 29 months from our  
21 last triennial IRP submission in December 2020.

22 [Reference: Presentation Slide 14]

23 Beginning with our 2023 IRP, Santee Cooper  
24 will initiate a public stakeholder engagement  
25 process. The process will involve a series of

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meetings designed to seek input from all stakeholders. This feedback will inform the content of our 2023 IRP.

We anticipate at least five sessions, and the first of the sessions is already scheduled for March 1, less than two weeks from this day. The session will be virtual and interactive, and will be facilitated by consultants with experience and expertise in conducting similar stakeholder sessions. We will notify stakeholders and public approximately 30 days prior to each session. There will be a web portal to streamline communication and warehouse meeting materials.

We will target a diverse stakeholder group with representation from all that have a stake in the outcome of Santee Cooper's IRP, including retail and wholesale customers, electric cooperatives and Central, municipalities, industrials, and organizations representing environmental and economic justice. There will be opportunities for stakeholders to provide input regarding assumptions, scenarios, sensitivities, and resource portfolios to be evaluated by Santee Cooper.

Following the sessions, we will seek

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1 stakeholders' feedback on the process itself and  
2 make improvements to subsequent sessions. It is  
3 our goal to be transparent with our diverse  
4 stakeholder group, and we will utilize the  
5 stakeholder web portal to share correspondence and  
6 reports summarizing stakeholder feedback and  
7 progress on the IRP.

8 [Reference: Presentation Slides 15-16]

9 Shawan, I can control it for you, if you want?

10 **MS. SHAWAN GILLIANS [SANTEE COOPER]:** Thank  
11 you. Thank you, Rahul.

12 I think everyone can hear me. Good afternoon.  
13 Again, my name is Shawan Gillians, and I have the  
14 pleasure of serving as the Director of Legal  
15 Services and Corporate Secretary for Santee Cooper.  
16 And I want to begin by noting that –

17 **MR. RAHUL DEMBLA [SANTEE COOPER]:** Do we need  
18 the slide deck?

19 **MS. SHAWAN GILLIANS [SANTEE COOPER]:** I think  
20 we're back up, Rahul. Thank you.

21 **MR. RAHUL DEMBLA [SANTEE COOPER]:** [Indicating.]

22 **MS. SHAWAN GILLIANS [SANTEE COOPER]:** Thank you.  
23 I want to begin by noting that we appreciate  
24 and look forward to the role the Commission will  
25 play in Santee Cooper's future competitive

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1 procurement process for renewable energy as that  
2 role is prescribed by Act 90 of 2021.

3 The place of renewable energy in our resource  
4 portfolio will be determined by our next triennial  
5 IRP, as my colleague Rahul stated, and, of course,  
6 the stakeholder engagement we'll utilize to develop  
7 that IRP. As you might expect, when we seek  
8 approval from the Commission for our program will  
9 be driven largely by two things: when we  
10 anticipate the need for future renewable resources  
11 and the amount of time we anticipate the Commission  
12 may need to consider our application. Based on  
13 those factors and what we know today, we currently  
14 expect that we would file that application no  
15 sooner than September 2022, so September of this  
16 year.

17 Next slide.

18 [Reference: Presentation Slide 17]

19 What I will not do is insult or bore you by  
20 reading this entire slide, but what I do want to do  
21 is to assure you that Santee Cooper has  
22 familiarized itself with the requirements of its  
23 Competitive Procurement Program, of what that  
24 program requirement must meet, and our process is  
25 being developed in such a way that will comply with

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1           those requirements

2                           [Reference: Presentation Slide 18 ]

3           In fact, if you consider the competitive  
4           procurement process for solar power that we began  
5           in 2019 and concluded in 2020, you'll find that  
6           Santee Cooper was already largely in compliance  
7           with the process promulgated by Act 90. And with  
8           that recently completed process in mind, we're  
9           confident in our ability to offer a fair process  
10          for the Commission's consideration and to work  
11          meaningfully with program process participants.

12          That concludes our formal presentation, but,  
13          of course, we're happy to answer any questions the  
14          Commission may have, as best we can.

15          **VICE CHAIR BELSER:** Thank you, presenters,  
16          this afternoon.

17          Commissioners, any questions for Mr.  
18          Duckworth, Mr. Dembla, or Ms. Gillians?

19                           [No response]

20          Anyone? Commissioners?

21          **COMMISSIONER C. WILLIAMS:** Vice Chair Belser.

22          **VICE CHAIR BELSER:** Commissioner Williams.

23          **COMMISSIONER C. WILLIAMS:** Thank you.

24          Thank you. I'll echo her appreciation for  
25          your being here and what you presented to us today.

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1 I noticed the reference, Mr. Dembla, to  
2 battery storage and was just curious if you could  
3 tell us more about what you're thinking was in  
4 terms of the amount of time that that storage might  
5 be available, you know, what the current standard  
6 is? As Chairman Belser just mentioned, we've just  
7 been to a virtual conference, and so we're hearing  
8 a lot about a ten-hour standard and then more, you  
9 know, what's more accessible right now, and I was  
10 just curious if there's a standard that you're  
11 working towards.

12 MR. RAHUL DEMBLA [SANTEE COOPER]: Yeah,  
13 that's a great question, Commissioner Williams.  
14 I'll tell – sorry [indicating].

15 VICE CHAIR BELSER: It's on.

16 MR. RAHUL DEMBLA [SANTEE COOPER]: Okay, I'm  
17 good. Yeah, that's a really good question, and  
18 I'll tell you that what our thinking was in 2020,  
19 or when we developed this IRP – and it, you know,  
20 goes back to our planning principles. At the time,  
21 we looked at them and we said one of the principles  
22 is incorporating advanced technology. And then we  
23 went, worked with our consultants, and they guided  
24 us. They told us, based on, you know, industrial  
25 research, that there's expectation that the storage

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1 technology will evolve and the cost curve will  
2 improve – the cost will decline.

3 **COMMISSIONER C. WILLIAMS:** Uh-huh.

4 **MR. RAHUL DEMBLA [SANTEE COOPER]:** So, based  
5 on the best available information at the time, and  
6 to answer your question directly, we looked at, you  
7 know, two-hour-, four-hour-duration storages. The  
8 feedback we received at the time was the initial  
9 tranche of storage, two hours would be suitable,  
10 because the capital costs are lower. However, we  
11 noted in our IRP that this is an evolving  
12 technology. Santee Cooper needs to do a lot more  
13 work and analysis prior to our next IRP, and take  
14 that analysis to the next level.

15 So that's how we placed those battery storages  
16 as a placeholder module in our resource plan,  
17 knowing they have a place in our long-term plan,  
18 but we intend to refine that analysis.

19 **COMMISSIONER C. WILLIAMS:** Thank you.

20 **MR. RAHUL DEMBLA [SANTEE COOPER]:** Thank you.

21 **COMMISSIONER C. WILLIAMS:** On the next page of  
22 your presentation – no, two more – I was curious,  
23 the lighter blue, economy purchases. Is that CPRE?  
24 Is that solar? So, I'm on the 2020 IRP energy and  
25 technology diversity –

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1                   **MR. RAHUL DEMBLA [SANTEE COOPER]:** Yes.

2                   **COMMISSIONER C. WILLIAMS:** – and there's a pie  
3 chart. And 20 percent in the 2020 IRP outlook?

4                   **MR. RAHUL DEMBLA [SANTEE COOPER]:** That's  
5 right. So that economy purchase is primarily gas-  
6 based. And it's driven by the, you know – so, once  
7 we have a resource portfolio in place, the  
8 portfolio has the ability to fuel-switch. So,  
9 based on our base-case assumptions, it tries to  
10 pick the best resource from our portfolio and the  
11 neighboring utilities, and whatever – it starts at  
12 the lowest cost and picks those. So this pie chart  
13 was generated based on those base-case fuel  
14 assumptions for what the fuel mix would look like.

15                   **COMMISSIONER C. WILLIAMS:** Okay. Well, then  
16 that fits – leads really well to my next question,  
17 which, as I noticed the gray and then the dark  
18 blue, dark blue was, I think – and maybe I misread  
19 it – new gas?

20                   **MR. RAHUL DEMBLA [SANTEE COOPER]:** That's  
21 right.

22                   **COMMISSIONER C. WILLIAMS:** And gray is  
23 existing gas. Can you talk about those three  
24 together for me?

25                   **MR. RAHUL DEMBLA [SANTEE COOPER]:** That's

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1 right. So, the dark blue, that represents the late  
2 2020s resource that's in our resource plan. Now,  
3 once in place, a modern natural gas combined-cycle  
4 will be the most efficient resource in our  
5 portfolio, so it would dispatch as a base-load – it  
6 would be the first to dispatch for the lowest  
7 cost – lowest-cost dispatch. So that represents  
8 the new resource.

9 And the other – the gray one represents our  
10 Rainey gas units, which are in the northwest  
11 portion of the State, which is also very reasonably  
12 efficient – not as efficient as this new resource  
13 that we are projecting, but still one of the more  
14 efficient resources in our portfolio. So that's  
15 the next to dispatch. And that's what – that  
16 competes with the coal units and the purchased  
17 power from the neighboring utilities and results in  
18 this mix.

19 **COMMISSIONER C. WILLIAMS:** So is the – is it  
20 Rainey?

21 **MR. RAHUL DEMBLA [SANTEE COOPER]:** That's  
22 Rainey, that's right, the gray one.

23 **COMMISSIONER C. WILLIAMS:** When I look at the  
24 pre-reform, is that a part of the 29 percent?

25 **MR. RAHUL DEMBLA [SANTEE COOPER]:** That's

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1 right.

2 COMMISSIONER C. WILLIAMS: Kind of looking at  
3 how they –

4 MR. RAHUL DEMBLA [SANTEE COOPER]: Yes.

5 COMMISSIONER C. WILLIAMS: – evolve and the  
6 change?

7 MR. RAHUL DEMBLA [SANTEE COOPER]: That's  
8 exactly right, yes.

9 COMMISSIONER C. WILLIAMS: Okay. I think I  
10 have one other question; it's probably for Ms.  
11 Gillians. [Indicating.]

12 Can you – Ms. Gillians, can you add to  
13 anything, elaborate any, on the CPRE program and  
14 the impact to the interconnection queue?

15 MS. SHAWAN GILLIANS [SANTEE COOPER]: In terms  
16 of the program – well, a requirement of the  
17 program, those would have to be a qualified bidder.  
18 You would have to have that interconnection queue  
19 in line. Are you concerned or is your question  
20 that the process would elongate that  
21 interconnection process, or...

22 COMMISSIONER C. WILLIAMS: [Indicating.]

23 MS. SHAWAN GILLIANS [SANTEE COOPER]: You  
24 know, I don't know. Because we already have a  
25 fairly robust interconnection program because of

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1 our participation in PURPA and as a result the 2020  
2 competitive procurement process, I don't know that  
3 we would expect a great deal of increase – Rahul  
4 and Charlie? I don't know that we would see that  
5 draw on our resources for the procurement program  
6 or for the interconnection program, but I'd defer  
7 to Charlie and Rahul on that.

8 **MR. RAHUL DEMBLA [SANTEE COOPER]:** Yeah, I  
9 would just add to that that, in our – we reference  
10 we had a very good starting point from our prior  
11 procurement in 2019-2020. This was not a  
12 requirement at the time. So this would help the  
13 process, I think. I think it will bring more high-  
14 quality responses, is my initial reaction, and  
15 instead of us doing an evaluation after getting the  
16 responses and seeing who or what the  
17 interconnection status is, I think it would weed  
18 out some of the folks who may not be serious or  
19 have not invested the time. So I see benefits to  
20 it, but – and, you know, I think we'll be able to  
21 comply with that. Is that responsive, Commissioner  
22 Williams?

23 **COMMISSIONER C. WILLIAMS:** Absolutely. I  
24 didn't know. I was just curious.

25 **MS. SHAWAN GILLIANS [SANTEE COOPER]:** Absolutely.

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1                   **COMMISSIONER C. WILLIAMS:** Thank you, very  
2 much. No further questions.

3                   **VICE CHAIR BELSER:** Thank you, Commissioner.  
4 Any other Commissioners?

5                   [No response]

6                   Commissioners?

7                   [No response]

8                   Hearing none –

9                   **COMMISSIONER ERVIN<sup>[A/V]</sup>:** Madam Vice Chair?  
10 Madam Vice Chair?

11                  **VICE CHAIR BELSER:** Commissioner Ervin?

12                  **COMMISSIONER ERVIN<sup>[A/V]</sup>:** Thank you.

13                  Let me thank the panel for your presentation  
14 today and information you shared with us. We are  
15 very grateful for your taking time out of your busy  
16 schedule to accommodate our schedule.

17                  I'd like to follow up just on one thing that  
18 you talked about earlier. Part of your demand-side  
19 plan calls for purchasing power from other  
20 utilities outside the State, and I'm wondering what  
21 percentage of your demand load will be or is  
22 projected to be covered by out-of-state utilities,  
23 going forward.

24                  **MR. RAHUL DEMBLA [SANTEE COOPER]:** Commissioner  
25 Ervin, there are two aspects to it. We had a

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1 discussion about a future resource in the IRP 2020.  
2 In the IRP 2020, we had a planning principle that we  
3 will keep our demand and supply in balance. And  
4 what we did was we sized 550 – at the time, we sized  
5 550 megawatts of new resource in late 2020s – 2027 –  
6 and following that, as our demand kept growing, we  
7 relied on purchases from neighboring utilities. And  
8 now, based on the assumptions we had at the time, I  
9 do not have the exact – I know it's in the IRP 2020.  
10 I even recall, I think, there's a table with annual  
11 purchases. I think it grows to a few hundred  
12 megawatts by the 2040s. That's my recollection.

13 And then the other piece of that is what we  
14 were talking about, is the energy side of it. We  
15 will still rely on neighboring utilities to import  
16 energy whenever it saves money compared to our  
17 portfolio.

18 **COMMISSIONER ERVIN<sup>[A/V]</sup>:** And so what you're  
19 saying is that that will be done in a competitive  
20 bid type process where you go with the least costly  
21 alternative? Is that what you're saying?

22 **MR. RAHUL DEMBLA [SANTEE COOPER]:** I would say  
23 that's correct, Commissioner Ervin. The IRP did  
24 not address the procur- – it looked at the long-  
25 term resource need and how we would fulfill it, and

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1 did not focus on the procurement side of it. But  
2 I –

3 COMMISSIONER ERVIN<sup>[A/V]</sup>: Understand.

4 MR. RAHUL DEMBLA [SANTEE COOPER]: – anticipate  
5 that would be the case.

6 COMMISSIONER ERVIN<sup>[A/V]</sup>: Right. And, so, could  
7 we or should we expect, going forward, that maybe  
8 you'll drill down deeper in regards to how that  
9 might work, going forward?

10 MR. RAHUL DEMBLA [SANTEE COOPER]: Per Act 90,  
11 it's my understanding that, you know, if we procure  
12 any contract which meets certain thresholds – a  
13 ten-year contract, I believe – we would have to  
14 come and seek approval from the Commission. So,  
15 yes, I anticipate that would be the case, sir.

16 COMMISSIONER ERVIN<sup>[A/V]</sup>: Thank you.

17 MR. RAHUL DEMBLA [SANTEE COOPER]: Thank you.

18 COMMISSIONER ERVIN<sup>[A/V]</sup>: The other [EI] – the  
19 other thing I wanted to ask you about, in your  
20 competitive solicitation process: Has that now  
21 been completed or is it still ongoing, for  
22 renewable energy resources?

23 MR. RAHUL DEMBLA [SANTEE COOPER]: The solar  
24 procurement that we conducted in 2019 and 2020, it  
25 was completed in early 2021. So that's complete.

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1                   **COMMISSIONER ERVIN**<sup>[A/V]</sup>: So, all those – all  
2 those new resources are already on the grid,  
3 they've been interconnected and in use currently.

4                   **MR. RAHUL DEMBLA [SANTEE COOPER]**: No, sir.  
5 The procurement was completed, but now, based on  
6 the arrangement we have with the providers, the  
7 construction will take place and these resources  
8 are expected to be commercial by late 2023 or early  
9 2024.

10                  **COMMISSIONER ERVIN**<sup>[A/V]</sup>: Have the successful  
11 bidders on those solar projects incurred any delays  
12 due to what we're seeing with the international  
13 slow-down in various supply lines? Is that slowing  
14 the process, or do you know?

15                  **MR. RAHUL DEMBLA [SANTEE COOPER]**: We have a  
16 process in place where we seek feedback from the  
17 bidders, you know, every couple of months. I would  
18 say, at this stage, a few of them have expressed  
19 challenges, but nobody has pushed out – pushed out  
20 the timeline. So they seem to be making progress.  
21 That remains a risk, given what's going on, not  
22 just macroeconomically, but they appear to be on  
23 track so far.

24                  **COMMISSIONER ERVIN**<sup>[A/V]</sup>: Well, that's good news.  
25 That's good to hear. Well, thank you again for

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1 being available today, and we look forward to  
2 working with you, going forward.

3 Thank you, Madam Vice Chair.

4 **VICE CHAIR BELSER:** Thank you, Commissioner  
5 Ervin.

6 Any other Commissioners?

7 [No response]

8 Mr. Duckworth, Mr. Dembla, Ms. Gillians,  
9 again, I thank you for your presentations today,  
10 for accommodating our schedules, and for sharing  
11 your information with us. We certainly appreciate  
12 it. We look forward to working with your Santee  
13 Cooper team as we work through the challenges and  
14 implement Act 90. So, thank y'all for being here  
15 today and, with that, we will – well, before we  
16 close it, I do want to remind everybody in the room  
17 to please sign the certification form and turn it  
18 in before you leave today; and folks online, you  
19 will be receiving that certification form online to  
20 return to us, as well.

21 Anything else, Mr. Stark.

22 **MR. STARK:** No, Madam Chairman.

23 **VICE CHAIR BELSER:** Thank you.

24 Thank y'all very much, and we'll close this  
25 proceeding. Thank you.

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[WHEREUPON, at 3:20 p.m., the proceedings  
in the above-entitled matter were  
adjourned.]

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C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had regarding a requested allowable ex parte briefing in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 17<sup>th</sup> day of February, 2022.

Jo Elizabeth M. Wheat, CVR-CM/M|GNSC  
Hearings Reporter - Public Service Commission  
of South Carolina

Notary Public in/for the State of South Carolina  
My Commission expires: January 12, 2031.